

TAB

79TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { No. 784

FEDERAL EMPLOYEES PAY ACT OF 1945

JUNE 23, 1945.—Ordered to be printed

Mr. RAMSPECK, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany S. 807]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 807) to improve salary and wage administration in the Federal service; to provide pay for overtime and for night and holiday work; to amend the Classification Act of 1923, as amended; to bring about a reduction in Federal personnel and to establish personnel ceilings for Federal departments and agencies; to require a quarterly analysis of Federal employment; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: *That this Act may be cited as the "Federal Employees Pay Act of 1945".*

TITLE I—COVERAGE AND EXEMPTIONS

COVERAGE

SEC. 101. (a) Subject to the exemptions specified in section 102 of this Act, titles II and III of this Act shall apply (1) to all civilian officers and employees in or under the executive branch of the Government, including Government-owned or controlled corporations, and in or under the District of Columbia municipal government, and (2) to those officers and employees of the judicial branch of the Government, the Library of Congress, the Botanic Garden, and the Office of the Architect of the Capitol who occupy positions subject to the Classification Act of 1923, as amended.

(b) Title IV of this Act shall apply to officers and employees who occupy positions subject to the Classification Act of 1923, as amended.

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(c) Subject to the exemptions specified in section 102 of this Act, title V of this Act shall apply to officers and employees in or under the legislative or the judicial branch of the Government whose compensation is not fixed in accordance with the Classification Act of 1923, as amended, and to the official reporters of proceedings and debates of the Senate and their employees.

(d) Subject to the exemptions specified in section 102 of this Act, title VI of this Act (containing miscellaneous provisions) shall apply to civilian officers and employees of the Government according to the terms thereof.

(e) All provisions of this Act applicable to the executive branch of the Government shall be applicable to the General Accounting Office.

EXEMPTIONS

SEC. 102. (a) This Act shall not apply to (1) elected officials; (2) Federal judges; (3) heads of departments or of independent establishments or agencies of the Federal Government, including Government-owned or controlled corporations; (4) employees of the District of Columbia municipal government whose compensation is fixed by the Teachers' Salary Act of June 4, 1924, as amended; and (5) officers and members of the Metropolitan Police or of the Fire Department of the District of Columbia. As used in this subsection the term "elected officials" shall not include officers elected by the Senate or House of Representatives who are not members of either body.

(b) This Act, except section 607, shall not apply to (1) officers and employees in the field service of the Post Office Department; (2) employees outside the continental limits of the United States, including those in Alaska, who are paid in accordance with local native prevailing wage rates for the area in which employed; (3) officers and employees of the Inland Waterways Corporation; (4) officers and employees of the Tennessee Valley Authority; (5) individuals to whom the provisions of section 1 (a) of the Act of March 24, 1943 (Public Law Numbered 17, Seventy-eighth Congress), are applicable; and (6) officers and members of the United States Park Police and the White House Police.

(c) This Act, except sections 203 and 607, shall not apply to employees whose basic compensation is fixed and adjusted from time to time in accordance with prevailing rates by wage boards or similar administrative authority serving the same purpose.

(d) This Act, except sections 606 and 607, shall not apply to employees of the Transportation Corps of the Army of the United States on vessels operated by the United States, to vessel employees of the Coast and Geodetic Survey, or to vessel employees of the Panama Railroad Company.

TITLE II—COMPENSATION FOR OVERTIME

OVERTIME PAY

SEC. 201. Officers and employees to whom this title applies shall, in addition to their basic compensation, be compensated for all hours of employment, officially ordered or approved, in excess of forty hours in any administrative workweek, at overtime rates as follows:

(a) For employees whose basic compensation is at a rate less than \$2,980 per annum, the overtime hourly rate shall be one and one-half times the basic hourly rate of compensation: Provided, That in computing

such overtime compensation for per annum employees, the basic hourly rate of compensation shall be determined by dividing the per annum rate by two thousand and eighty.

(b) For employees whose basic compensation is at a rate of \$2,980 per annum or more, the overtime hourly rate shall be in accordance with and in proportion to the following schedule:

Basic rate of compensation per annum	Overtime rate of compensation per 416 overtime hours
\$2,980	\$894.000
3,090	885.554
3,200	877.108
3,310	868.662
3,420	860.216
3,530	851.770
3,640	843.324
3,750	834.878
3,860	826.432
3,970	817.986
4,080	809.540
4,190	801.094
4,300	792.648
4,410	784.202
4,520	775.756
4,630	767.310
4,740	758.864
4,960	741.972
5,180	725.080
5,390	708.955
5,600	692.831
5,810	676.707
6,020	660.583
6,230	644.458
6,440 and over	628.334

COMPENSATORY TIME OFF FOR IRREGULAR OR OCCASIONAL OVERTIME WORK

SEC. 202. (a) The heads of departments, or of independent establishments or agencies, including Government-owned or controlled corporations, and of the District of Columbia municipal government, and the heads of legislative or judicial agencies to which this title applies, may by regulation provide for the granting of compensatory time off from duty, in lieu of overtime compensation for irregular or occasional duty in excess of forty-eight hours in any regularly scheduled administrative workweek, to those per annum employees requesting such compensatory time off from duty.

(b) The Architect of the Capitol may, in his discretion, grant per annum employees compensatory time off from duty in lieu of overtime compensation for any work in excess of forty hours in any regularly scheduled administrative workweek.

WAGE-BOARD EMPLOYEES

SEC. 203. Employees whose basic rate of compensation is fixed on an annual or monthly basis and adjusted from time to time in accordance with prevailing rates by wage boards or similar administrative authority serving the same purpose shall be entitled to overtime pay in accordance with the provisions of section 23 of the Act of March 28, 1934 (U. S. C., 1940 edition, title 5, sec. 673c). The rate of compensation for each hour of overtime employment of any such employee shall be computed as follows:

(a) If the basic rate of compensation of the employee is fixed on an annual basis, divide such basic rate of compensation by two thousand and eighty and multiply the quotient by one and one-half; and

(b) If the basic rate of compensation of the employee is fixed on a monthly basis, multiply such basic rate of compensation by twelve to derive a basic annual rate of compensation, divide such basic annual rate of compensation by two thousand and eighty, and multiply the quotient by one and one-half.

TITLE III—COMPENSATION FOR NIGHT AND HOLIDAY WORK

NIGHT PAY DIFFERENTIAL

SEC. 301. Any officer or employee to whom this title applies who is assigned to a regularly scheduled tour of duty, any part of which falls between the hours of 6 o'clock postmeridian and 6 o'clock antemeridian, shall, for duty between such hours, excluding periods when he is in a leave status, be paid compensation at a rate 10 per centum in excess of his basic rate of compensation for duty between other hours: Provided, That such differential for night duty shall not be included in computing any overtime compensation to which the officer or employee may be entitled: And provided further, That this section shall not operate to modify the provisions of the Act of July 1, 1944 (Public Law Numbered 394, Seventy-eighth Congress), or any other law authorizing additional compensation for night work.

COMPENSATION FOR HOLIDAY WORK

SEC. 302. Officers and employees to whom this title applies who are assigned to duty on a holiday designated by Federal statute or Executive order shall be compensated for such duty, excluding periods when they are in leave status, in lieu of their regular pay for that day, at the rate of one and one-half times the regular basic rate of compensation: Provided, That extra holiday compensation paid under this section shall not serve to reduce the amount of overtime compensation to which the employee may be entitled under this or any other Act during the administrative workweek in which the holiday occurs, but such extra holiday compensation shall not be considered to be a part of the basic compensation for the purpose of computing such overtime compensation. This section shall take effect upon the cessation of hostilities in the present war as proclaimed by the President, or at such earlier time as the Congress by concurrent resolution may prescribe. Prior to so becoming effective, it shall be effective with respect to any designated holiday only if the President has declared that such day shall not be generally a workday in the Federal service.

TITLE IV—AMENDMENTS TO CLASSIFICATION ACT OF 1923, AS AMENDED

ESTABLISHMENT OF RATES FOR CLASSES OF POSITIONS WITHIN GRADES

SEC. 401. Section 3 of the Classification Act of 1923, as amended, is amended by inserting at the end of such section a paragraph reading as follows:

"In subdividing any grade into classes of positions, as provided in the foregoing paragraph, the Civil Service Commission, whenever it deems

such action warranted by the nature of the duties and responsibilities of a class of positions in comparison with other classes in the same grade, and in the interests of good administration, is authorized to establish for any such class a minimum rate, which shall be one of the pay rates, but not in excess of the middle rate, of that grade as set forth in section 13 of this Act, as amended. Whenever the Commission shall find that within the same Government organization and at the same location gross inequities exist between basic per annum rates of pay fixed for any class of positions under this Act and the compensation of employees whose basic rates of pay are fixed by wage boards or similar administrative authority serving the same purpose, the Commission is hereby empowered, in order to correct or reduce such inequities, to establish as the minimum rate of pay for such class of positions any rate not in excess of the middle rate within the range of pay fixed by this Act for the grade to which such class of positions is allocated. For the purposes of this section the fourth rate of a six-rate grade shall be considered to be the middle rate of that grade. Minimum rates established under this paragraph shall be duly published by regulation and, subject to the foregoing provisions, may be revised from time to time by the Commission. The Commission shall make a report of such actions or revisions with the reasons therefor to Congress at the end of each fiscal year. Actions by the Civil Service Commission under this paragraph shall apply to both the departmental and field services and shall have the force and effect of law."

PERIODIC WITHIN-GRADE SALARY ADVANCEMENTS

SEC. 402. Subsection (b) of section 7 of the Classification Act of 1923, as amended, is amended to read as follows:

"(b) All employees compensated on a per annum basis, and occupying permanent positions within the scope of the compensation schedules fixed by this Act, who have not attained the maximum rate of compensation for the grade in which their positions are respectively allocated, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next pay period following the completion of (1) each twelve months of service if such employees are in grades in which the compensation increments are less than \$200, or (2) each eighteen months of service if such employees are in grades in which the compensation increments are \$200 or more, subject to the following conditions:

"(1) That no equivalent increase in compensation from any cause was received during such period, except increase made pursuant to subsection (f) of this section;

"(2) That an employee shall not be advanced unless his current efficiency is 'good' or better than 'good';

"(3) That the service and conduct of such employee are certified by the head of the department or agency or such official as he may designate as being otherwise satisfactory; and

"(4) That any employee, (A) who, while serving under permanent, war service, temporary, or any other type of appointment, has left his position to enter the armed forces or the merchant marine, or to comply with a war transfer as defined by the Civil Service Commission, (B) who has been separated under honorable conditions from active duty in the armed forces, or has received a certificate of satisfactory service in the merchant marine, or has a satisfactory record on war transfer, and (C) who, under regulations of the Civil Service

Commission or the provisions of any law providing for restoration or reemployment, or under any other administrative procedure with respect to employees not subject to civil service rules and regulations, is restored, reemployed, or reinstated in any position subject to this section, shall upon his return to duty be entitled to within-grade salary advancements without regard to paragraphs (2) and (3) of this subsection, and to credit such service in the armed forces, in the merchant marine, and on war transfer, toward such within-grade salary advancements. As used in this paragraph the term 'service in the merchant marine' shall have the same meaning as when used in the Act entitled 'An Act to provide reemployment rights for persons who leave their positions to serve in the merchant marine, and for other purposes', approved June 23, 1943 (U. S. C., 1940 edition, Supp. IV, title 50 App., secs. 1471 to 1475, inc.)."

REWARDS FOR SUPERIOR ACCOMPLISHMENT; AUTHORIZATION AND LIMITATIONS

Sec. 403. Subsection (f) of section 7 of the Classification Act of 1923, as amended, is amended to read as follows:

"(f) Within the limit of available appropriations, as a reward for superior accomplishment, under standards to be promulgated by the Civil Service Commission, and subject to prior approval by the Civil Service Commission, or delegation of authority as provided in subsection (g), the head of any department or agency is authorized to make additional within-grade compensation advancements, but any such additional advancements shall not exceed one step and no employee shall be eligible for more than one additional advancement hereunder within each of the time periods specified in subsection (b). All actions under this subsection and the reasons therefor shall be reported to the Civil Service Commission. The Commission shall present an annual consolidated report to the Congress covering the numbers and types of actions taken under this subsection."

REWARDS FOR SUPERIOR ACCOMPLISHMENT; RESPONSIBILITY OF CIVIL SERVICE COMMISSION

Sec. 404. Subsection (g) of section 7 of the Classification Act of 1923, as amended, is amended to read as follows:

"(g) The Civil Service Commission is hereby authorized to issue such regulations as may be necessary for the administration of this section. In such regulations the Commission is hereby empowered, in its discretion, to delegate to the head of any department or agency, or his designated representative, the authority to approve additional within-grade compensation advancements provided for in subsection (f), without prior approval in individual cases by the Commission. The Commission is also authorized to withdraw or suspend such authority from time to time, whenever post-audit of such actions by the Commission indicates that standards promulgated by the Commission have not been observed."

INCREASE IN BASIC RATES OF COMPENSATION

Sec. 405. (a) Each of the existing rates of basic compensation set forth in section 13 of the Classification Act of 1923, as amended, except those affected by subsection (b) of this section, is hereby increased by 20

per centum of that part thereof which is not in excess of \$1,200 per annum, plus 10 per centum of that part thereof which is in excess of \$1,200 per annum but not in excess of \$4,600 per annum, plus 5 per centum of that part thereof which is in excess of \$4,600 per annum. Such augmented rates shall be considered to be the regular basic rates of compensation provided by such section.

(b) (1) The proviso to the fifth paragraph under the heading "Crafts, Protective, and Custodial Service" in section 13 of the Classification Act of 1923, as amended, is hereby amended to read as follows: "Provided, That charwomen working part time be paid at the rate of 78 cents an hour, and head charwomen at the rate of 83 cents an hour".

(2) Such section is amended so as to provide the following rates of compensation for positions in the clerical-mechanical service:

Grade 1, 78 to 85 cents an hour.

Grade 2, 91 to 98 cents an hour.

Grade 3, \$1.05 to \$1.11 an hour.

Grade 4, \$1.18 to \$1.31 an hour.

(c) The increase in existing rates of basic compensation provided by this section shall not be construed to be an "equivalent increase" in compensation within the meaning of section 7 (b) (1) of the Classification Act of 1923, as amended.

TITLE V—EMPLOYEES OF LEGISLATIVE AND JUDICIAL BRANCHES

PART I—EMPLOYEES OF THE LEGISLATIVE BRANCH

INCREASE IN RATES OF COMPENSATION

SEC. 501. Except as provided in section 503, each officer and employee in or under the legislative branch to whom this title applies shall be paid additional compensation computed as follows: 20 per centum of that part of his rate of basic compensation which is not in excess of \$1,200 per annum, plus 10 per centum of that part of such rate which is in excess of \$1,200 per annum but not in excess of \$4,600 per annum, plus 5 per centum of that part of such rate which is in excess of \$4,600 per annum. The additional compensation provided by this section shall be considered a part of the basic compensation of any such officer or employee for the purposes of the Civil Service Retirement Act of May 29, 1930, as amended. The additional compensation provided for by this section and section 502 shall not be taken into account in determining whether any amount expended for clerk hire, or the compensation paid to an officer or employee, is within any limit now prescribed by law.

TEMPORARY ADDITIONAL COMPENSATION IN LIEU OF OVERTIME

SEC. 502. During the period beginning on July 1, 1945, and ending on June 30, 1947, each officer and employee in or under the legislative branch entitled to the benefits of section 501 of this Act shall be paid additional compensation at the rate of 10 per centum of (a) the aggregate of the rate of his basic compensation and the rate of additional compensation received by him under section 501 of this Act, or (b) the rate of \$2,900 per annum, whichever is the smaller.

COMPENSATION FOR OVERTIME

Sec. 503. Hereafter, for overtime pay purposes, per diem and per hour employees under the Office of the Architect of the Capitol not subject to the Classification Act of 1923, as amended, shall be regarded as subject to the provisions of section 23 of the Act of March 28, 1934 (U. S. C., 1940 edition, title 5, sec. 673c), and sections 501 and 502 of this Act shall not be applicable to such employees.

PART II—EMPLOYEES OF THE JUDICIAL BRANCH

INCREASE IN BASIC RATES OF COMPENSATION

Sec. 521. Each officer and employee in or under the judicial branch to whom this title applies shall be paid additional basic compensation computed as follows: 20 per centum of that part of his rate of basic compensation which is not in excess of \$1,200 per annum, plus 10 per centum of that part of such rate which is in excess of \$1,200 per annum but not in excess of \$4,600 per annum, plus 5 per centum of that part of such rate which is in excess of \$4,600 per annum. The limitations of \$6,500 and \$7,500 with respect to the aggregate salaries payable to secretaries and law clerks of circuit and district judges, contained in the eighth paragraph under the head "Miscellaneous Items of Expense" in The Judiciary Appropriation Act, 1946 (Public Law Numbered 61, Seventy-ninth Congress), shall be increased by the amounts necessary to pay the additional basic compensation provided by this section; and the changes in the rates of basic compensation in the Classification Act of 1923, as amended, made by section 405 of this Act shall not be taken into account in fixing salaries under such eighth paragraph.

TEMPORARY ADDITIONAL COMPENSATION IN LIEU OF OVERTIME

Sec. 522. During the period beginning on July 1, 1945, and ending on June 30, 1947, each officer and employee in or under the judicial branch entitled to the benefits of section 521 of this Act shall be paid additional compensation at the rate of 10 per centum of (a) the rate of his basic compensation, or (b) the rate of \$2,900 per annum, whichever is the smaller. As used in this section the term "basic compensation" includes the additional basic compensation provided for by section 521 of this Act.

TITLE VI—MISCELLANEOUS PROVISIONS

EFFECT ON EXISTING LAWS AFFECTING CERTAIN INSPECTIONAL GROUPS

Sec. 601. The provisions of this Act shall not operate to prevent payment for overtime services or extra pay for Sunday or holiday work in accordance with any of the following statutes: Act of February 13, 1911, as amended (U. S. C., 1940 edition, title 19, secs. 261 and 267); Act of July 24, 1919 (U. S. C., 1940 edition, title 7, sec. 394); Act of June 17, 1930, as amended (U. S. C., 1940 edition, title 19, secs. 1450, 1451, and 1452); Act of March 2, 1931 (U. S. C., 1940 edition, title 8, secs. 109a and 109b); Act of May 27, 1936, as amended (U. S. C., 1940 edition, title 46, sec. 382b); Act of March 23, 1941 (U. S. C., 1940 edition, Supp. IV, title 47, sec. 154 (f) (2)); Act of June 3, 1944 (Public Law Numbered 328, Seventy-eighth Congress): Provided, That the over-

time, Sunday, or holiday services covered by such payment shall not also form a basis for overtime or extra pay under this Act.

INCREASE IN BASIC STATUTORY RATES OF COMPENSATION NOT UNDER
CLASSIFICATION ACT OF 1923, AS AMENDED

SEC. 602. (a) The existing basic rates of pay set forth in the Act entitled "An Act to adjust the compensation of certain employees in the Customs Service", approved May 29, 1928, as amended, and those set forth in the second paragraph of section 24 of the Immigration Act of 1917, as amended, are hereby increased in the same amount that corresponding rates would be increased under the provisions of section 405 of this Act; and each such augmented rate shall be considered to be the regular basic rate of compensation.

(b) Basic rates of compensation specifically prescribed by statute of Congress for positions in the executive branch or the District of Columbia municipal government which are not increased by any other provision of this Act are hereby increased in the same amount that corresponding rates would be increased under the provisions of section 405 of this Act; and each such augmented rate shall be considered to be the regular basic rate of compensation.

LIMITATIONS ON REDUCTIONS AND INCREASES IN COMPENSATION

SEC. 603. (a) The aggregate per annum rate of compensation with respect to any pay period, in the case of any full-time employee in the service on July 1, 1945, (1) who was a full-time employee on June 30, 1945, (2) whose per annum basic rate of compensation on June 30, 1945, did not exceed a rate of \$1,800 per annum, and (3) whose compensation is fixed in accordance with the provisions of the Classification Act of 1923, as amended, or the Act entitled "An Act to adjust the compensation of certain employees in the Customs Service", approved May 29, 1928, as amended, shall not, under the rates of compensation established by this Act, so long as he continues to occupy the position he occupied on June 30, 1945, be less than his per annum basic rate of compensation on such date, plus the rate of \$300 per annum or 25 per centum of such per annum basic rate of compensation, whichever is the smaller amount.

(b) Notwithstanding any other provision of this Act, no officer or employee shall, by reason of the enactment of this Act, be paid, with respect to any pay period, basic compensation, or basic compensation plus any additional compensation provided by this Act, at a rate in excess of \$10,000 per annum, except that (1) any officer or employee who was receiving overtime compensation on June 30, 1945, and whose aggregate rate of compensation on such date was in excess of \$10,000 per annum may receive overtime compensation at such rate as will not cause his aggregate rate of compensation for any pay period to exceed the aggregate rate of compensation he was receiving on June 30, 1945, until he ceases to occupy the office or position he occupied on such date or until the overtime hours of work in his administrative workweek are reduced by action of the head of his department or independent establishment or agency, or Government-owned or controlled corporation, and when such overtime hours are reduced such rate of overtime compensation shall be reduced proportionately, and (2) any officer or employee who, because of the receipt of additional compensation in lieu of overtime compensation, was receiving

aggregate compensation at a rate in excess of \$10,000 per annum on June 30, 1945, may continue to receive such rate of aggregate compensation so long as he continues to occupy the office or position he occupied on such date but in no case beyond June 30, 1947.

ESTABLISHMENT OF BASIC WORKWEEK; PAY COMPUTATION METHODS

SEC. 604. (a) It shall be the duty of the heads of the several departments and independent establishments and agencies in the executive branch, including Government-owned or controlled corporations, and the District of Columbia municipal government, to establish as of the effective date of this Act, for all full-time officers and employees in their respective organizations, in the departmental and the field services, a basic administrative workweek of forty hours, and to require that the hours of work in such workweek be performed within a period of not more than six of any seven consecutive days.

(b) Beginning not later than October 1, 1945, each pay period for all officers and employees of the organizations referred to in subsection (a), except officers and employees on the Isthmus of Panama in the service of The Panama Canal or the Panama Railroad Company, shall cover two administrative workweeks. When a pay period for such officers and employees begins in one fiscal year and ends in another, the gross amount of the earnings for such pay period may be regarded as a charge against the appropriation or allotment current at the end of such pay period.

(c) The following provisions of law are hereby repealed: (1) the provisions of the Saturday half-holiday law of March 3, 1931 (46 Stat. 1482; U. S. C., 1940 edition, title 5, sec. 26 (a)), and (2) the provisions of so much of section 5 of the Act entitled "An Act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and ninety-four, and for other purposes", approved March 3, 1893, as amended (30 Stat. 316; U. S. C., 1940 edition, title 5, sec. 29), as precedes the second proviso in such section. The first sentence of section 6 of the Act of June 30, 1906 (34 Stat. 763; U. S. C., 1940 edition, title 5, sec. 84), is amended by inserting after "United States" the following: "(except persons whose compensation is computed in accordance with section 604 (d) of the Federal Employees Pay Act of 1945)"; and the last sentence of such section 6 is amended by striking out "Any person" and inserting "Any such person".

(d) (1) Hereafter, for all pay computation purposes affecting officers or employees in or under the executive branch, the judicial branch, or the District of Columbia municipal government, basic per annum rates of compensation established by or pursuant to law shall be regarded as payment for employment during fifty-two basic administrative workweeks of forty hours.

(2) Whenever for any such purpose it is necessary to convert a basic monthly or annual rate to a basic weekly, daily, or hourly rate, the following rules shall govern:

(A) A monthly rate shall be multiplied by twelve to derive an annual rate;

(B) An annual rate shall be divided by fifty-two to derive a weekly rate;

(C) A weekly rate shall be divided by forty to derive an hourly rate; and

(D) A daily rate shall be derived by multiplying an hourly rate by the number of daily hours of service required.

(e) The Architect of the Capitol may, in his discretion, apply the provisions of subsection (a) to any officers or employees under the Office of the Architect of the Capitol or the Botanic Garden, and the Librarian of Congress may, in his discretion, apply the provisions of such subsection to any officers or employees under the Library of Congress; and officers and employees to whom such subsection is so made applicable shall also be subject to the provisions of subsections (b) and (d) of this section.

REGULATIONS

SEC. 605. The Civil Service Commission is hereby authorized to issue such regulations, subject to the approval of the President, as may be necessary for the administration of the foregoing provisions of this Act insofar as this Act affects officers and employees in or under the executive branch of the Government.

VESSEL EMPLOYEES

SEC. 606. Employees of the Transportation Corps of the Army of the United States on vessels operated by the United States, vessel employees of the Coast and Geodetic Survey, and vessel employees of the Panama Railroad Company, may be compensated in accordance with the wage practices of the maritime industry.

PERSONNEL CEILINGS

SEC. 607. (a) It is hereby declared to be the sense of the Congress that in the interest of economy and efficiency the heads of departments, and of independent establishments or agencies, in the executive branch, including Government-owned or controlled corporations, shall terminate the employment of such of the employees thereof as are not required for the proper and efficient performance of the functions of their respective departments, establishments, and agencies.

(b) The heads of departments, and of independent establishments or agencies, in the executive branch, including Government-owned or controlled corporations, shall present to the Director of the Bureau of the Budget such information as the Director shall from time to time, but at least quarterly, require for the purpose of determining the numbers of full-time civilian employees (including full-time intermittent employees who are paid on a "when actually employed" basis, and full-time employees paid nominal compensation, such as \$1 a year or \$1 a month) and the man-months of part-time civilian employment (including part-time employment by intermittent employees who are paid on a "when actually employed" basis, and part-time employment by employees paid nominal compensation such as \$1 a year or \$1 a month) required within the United States for the proper and efficient performance of the authorized functions of their respective departments, establishments, and agencies. The Director shall, within sixty days after the date of enactment of this Act and from time to time, but at least quarterly, thereafter, determine

the numbers of full-time employees and man-months of part-time employment, which in his opinion are required for such purpose, and any personnel or employment in such department, establishment, or agency in excess thereof shall be released or terminated at such times as the Director shall order. Such determinations, and any numbers of employees or man-months of employment paid in violation of the orders of the Director, shall be reported quarterly to the Congress. Each such report shall include a statement showing for each department, independent establishment, and agency the net increase or decrease in such employees and employment as compared with the corresponding data contained in the next preceding report, together with any suggestions the Director may have for legislation which would bring about economy and efficiency in the use of Government personnel. As used in this subsection the term "United States" shall include the Territories and possessions.

(c) Determinations by the Director of numbers of employees and man-months of employment required shall be by such appropriation units or organization units as he may deem appropriate.

(d) The Director shall maintain a continuous study of all appropriations and contract authorizations in relation to personnel employed and shall, under such policies as the President may prescribe, reserve from expenditure any savings in salaries, wages, or other categories of expense which he determines to be possible as a result of reduced personnel requirements. Such reserves may be released by the Director for expenditure only upon a satisfactory showing of necessity.

(e) Casual employees, as defined by the Civil Service Commission, and employees hired without compensation may be excluded from the determinations and reports required by this section.

(f) Until the cessation of hostilities in the present war as proclaimed by the President, the provisions of this section shall not be applicable to (1) employees of the War and Navy Departments except those who are subject to the provisions of titles II and III of this Act; or (2) individuals employed or paid by or through the War Shipping Administration (A) who are outside the United States, (B) to whom the provisions of section 1 (a) of the Act of March 24, 1943 (Public Law Numbered 17, Seventy-eighth Congress), are applicable, (C) who are undergoing a course of training under the United States Maritime Service or who have completed such training and are awaiting assignment to ships, or (D) who are on stand-by wages awaiting assignment to ships. As used in this subsection the term "United States" means the several States and the District of Columbia.

EXEMPTION FOR PURPOSES OF VETERANS LAWS AND REGULATIONS

SEC. 608. Amounts payable under the provisions of this Act, other than increases under sections 405, 501, 521, and 602, shall not be considered in determining the amount of a person's annual income or annual rate of compensation for the purposes of paragraph II (a) of part III of Veterans Regulation Numbered 1 (a), as amended, or section 212 of title II of the Act entitled "An Act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes", approved June 30, 1932, as amended (U. S. C., 1940 edition, title 5, sec. 59a; Supp. IV, title 5, sec. 59b).

FEDERAL EMPLOYEES PAY ACT OF 1945

13

APPROPRIATION AUTHORIZED

Sec. 609. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

EFFECTIVE DATE

Sec. 610. This Act shall take effect on July 1, 1945.

And the House agree to the same.

ROBERT RAMSPECK,
JENNINGS RANDOLPH,
HENRY M. JACKSON,
Managers on the Part of the House.

SHERIDAN DOWNEY,
KENNETH MCKELLAR,
HARRY BYRD,
WILLIAM LANGER,
GEORGE D. AIKEN,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 807) to improve salary and wage administration in the Federal service; to provide pay for overtime and for night and holiday work; to amend the Classification Act of 1923, as amended; to bring about a reduction in Federal personnel and to establish personnel ceilings for Federal departments and agencies; to require a quarterly analysis of Federal employment; and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause. The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment, and that the House agree to the same.

Except for the differences noted in the following statement, the conference substitute is the same as the House amendment.

The conference substitute adds to section 101 (relating to applicability of the bill to officers and employees of the Federal Government and of the District of Columbia municipal government) of the House amendment a subsection which specifically prescribes that all provisions of the bill applicable to the executive branch of the Government shall be applicable to the General Accounting Office. For pay purposes under the War Overtime Pay Act of 1943, the General Accounting Office has been treated as being in the executive branch. Therefore, this subsection is probably not necessary but has been added to section 101 in order to remove any possible doubt as to the application of the bill to the General Accounting Office.

Section 401 of the House amendment adds a new paragraph to section 3 of the Classification Act of 1923, as amended. This new paragraph, as contained in the House amendment, provides, in part, that whenever the Civil Service Commission finds that within the same Government organization and at the same location gross inequities exist between basic per annum rates of pay fixed for any class of positions under the Classification Act of 1923, as amended, and the compensation of employees whose basic rates of pay are fixed by wage boards or similar administrative authority serving the same purpose, the Commission is empowered to establish as the minimum rate of pay for such class of positions any rate within the range of pay fixed by the Classification Act of 1923, as amended, for the grade to which such class of positions is allocated. A similar provision contained in section 302 of the Senate bill authorizes the Commission to establish as the minimum rate of pay for such class of positions any rate not in excess of the middle rate within the range of pay fixed by the Classification Act for the grade to which such class of positions is allocated. The conference substitute adopts the limitation contained in the Senate bill.

Subsection (b) of section 7 of the Classification Act of 1923, as amended by section 402 of the House amendment, provides that all employees compensated on a per annum basis and occupying permanent positions within the scope of the compensation schedules fixed by the Classification Act, who have not attained the maximum rate of compensation for the grade in which their positions are respectively allocated, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next month following the completion of certain periods of service specified in the subsection. In view of the requirement in section 604 (b) that pay periods cover two administrative workweeks, the General Accounting Office believes that subsection (b) of section 7 of the Classification Act would be more easily administered if the advancements were made effective at the beginning of the next pay period (rather than the beginning of the next month) following the completion of the service period. Accordingly, the words "pay period" have been inserted in the conference substitute in lieu of the word "month."

Paragraph (4) of subsection (b) of section 7 of the Classification Act of 1923 is a new provision added to such subsection (b) by section 402 of the House amendment. It provides that any employee who has left his position to enter the armed forces or the merchant marine, or to comply with a war transfer as defined by the Civil Service Commission, and who has the right to reemployment under regulations of the Civil Service Commission or under any provision of law, shall, upon his reemployment, be entitled to within-grade salary advancements even though there may be no efficiency rating or certificate of satisfactory conduct on record with respect to his former civilian position. Paragraph (4) also provides that the reemployed individual shall be entitled to credit, toward within-grade salary advancements, service in the armed forces, the merchant marine, and on war transfer.

Such paragraph (4), as contained in the House amendment, is limited to an employee "who, under regulations of the Civil Service Commission or the provisions of any law providing for restoration or reemployment, is restored, reemployed, or reinstated in any position subject to this section." All employees under the Architect of the Capitol are employees in the legislative branch and therefore not subject to civil-service regulations. Furthermore, temporary employees under the Architect are not entitled to reemployment rights under existing statutes. In order to insure the benefits of section 7 (b) (4) of the Classification Act to both permanent and temporary employees under the Architect of the Capitol, the conference substitute adds language to such paragraph designed to accomplish this result.

Part I of title V of the House amendment applies to officers and employees in the legislative branch whose compensation is not fixed in accordance with the Classification Act of 1923, as amended. Certain temporary, seasonal, intermittent, and irregular employees, such as painters, carpenters, laborers, etc., under the Architect of the Capitol would, under the House amendment, be eligible for both the permanent pay increase and additional compensation increase (temporary) provided under sections 501 and 502. Such increases would throw most of the basic wages of such employees into a much higher scale than paid in industry for similar work. For this reason, the conference substitute adds a new section (sec. 503) to such part which would make sections 501 and 502 inapplicable to such employees and

make them subject to the overtime pay provisions of section 23 of the act of March 28, 1934. This would, of course, leave the basic pay rates of these employees undisturbed.

Section 603 (a) of the House amendment was designed to protect low-paid employees from suffering pay cuts as a result of the application of the new rates, and provided in effect that the aggregate per annum rates of incumbents should not be less than their per annum basic rates on June 30, 1945, plus \$300 or 25 percent of the basic rate on such date, whichever is the smaller amount. A provision was also included providing for application of the subsection to part-time employees on the basis of the proportion which their hours of work bears to full-time work.

The conference agreement retains the House provision but restricts its application to employees whose pay is fixed in accordance with the Classification Act of 1923, as amended, and whose basic rates of compensation on June 30, 1945, did not exceed \$1,800 per annum. Language was also added to make it clear that employees will be benefited only so long as they remain in their present positions. The provision of the House amendment relating to part-time employees was eliminated, since all part-time employees whose full-time rate would be less than \$1,800 and whose compensation cannot be adjusted administratively will receive, under the new rates provided in the bill, more than they were receiving on June 30, 1945.

Section 603 (b) of the House amendment provides that no officer or employee shall receive overtime or extra compensation in an amount which, when added to his basic compensation, would exceed a rate of \$10,000 per annum.

The conference agreement modifies this restriction so as to permit officers and employees who on June 30, 1945, were receiving overtime compensation or additional compensation and whose basic compensation on such date plus such overtime or additional compensation amounted to a rate of more than \$10,000, to continue to receive overtime or additional compensation so long as the rate of their aggregate compensation does not exceed the rate of aggregate compensation applicable to such officers or employees on June 30, 1945. In the event the overtime hours of any such employee are reduced, any overtime compensation to which he is entitled under this provision would be reduced accordingly. In the case of officers or employees who benefit by this section by reason of having received additional compensation in lieu of overtime under existing law, such additional compensation would be payable only until July 1, 1947. Moreover, the provisions would not apply to any officer or employee after he leaves the office or position he occupied on June 30, 1945.

Section 604 (b) of the House amendment provides that beginning not later than October 1, 1945, each pay period for all officers and employees in the executive branch, including Government owned or controlled corporations, and in the District of Columbia municipal government, shall cover two basic administrative workweeks established under section 604 (a). The basic administrative workweek established under section 604 (a) is a 40-hour week. Inasmuch as the administrative workweek on account of wartime conditions may be more than 40 hours for a considerable number of officers and employees for some time to come, the conference substitute strikes out "two basic administrative workweeks established under such

subsection" and inserts in lieu thereof "two administrative workweeks."

At the request of the Governor of the Panama Canal, officers and employees on the Isthmus of Panama in the service of the Panama Canal or the Panama Railroad Company are excepted from the provisions of section 604 (b) by the conference agreement. Such employees are now paid only once a month and almost entirely in cash. They are permitted to secure certain necessities, as well as many services, from Canal agencies, and charges therefor are collected through deduction on the monthly pay rolls. To make biweekly payments and, at the same time, continue such deductions would require increased personnel in the preparation of pay rolls as well as for their audit and payment.

Under the biweekly pay period plan required by section 604 (b), pay rolls covering the end of 1 fiscal year would usually cover, also, the beginning of the next fiscal year. In order to avoid the necessity of dividing the compensation of each employee according to the fiscal years in which earned, and charging each part to the appropriation for the year in which earned, the conference substitute provides in section 604 (b) that when a pay period begins in one fiscal year and ends in another, the gross amount of the earnings for such pay period may be regarded as a charge against the appropriation or allotment current at the end of such pay period.

Section 604 (d) of the House amendment provides that, hereafter, for all pay computation purposes affecting officers or employees in the executive branch or the District of Columbia municipal government, basic per annum rates of compensation shall be regarded as payment for employment during 52 basic administrative workweeks of 40 hours. The conference agreement includes the judicial branch of the Government within the provisions of this subsection. Certain technical changes are made in section 604 (c) by the conference substitute because of the inclusion of the judicial branch in section 604 (d), but there is no change in substance.

The conference substitute adds a new subsection (e) to section 604, which provides (1) that the Architect of the Capitol may, in his discretion, apply the provisions of subsection (a) of section 604 (which directs the establishment of a basic administrative workweek of 40 hours in the executive branch and the District of Columbia municipal government) to any officers or employees under his office or the Botanic Garden; and (2) that the Librarian of Congress may, in his discretion, apply the same provisions to any officers or employees under the Library of Congress. Any officers and employees to whom such subsection (a) is so made applicable are also made subject to the provisions of subsections (b) and (d) of section 604.

Section 605 of the House amendment authorizes the Civil Service Commission to issue regulations for the administration of all the provisions of the bill preceding section 605 insofar as such provisions affect officers and employees in the executive branch or officers and employees subject to the Classification Act of 1923, as amended, who are not in the executive branch. The conference substitute limits the authority of the Civil Service Commission to the executive branch. This change conforms to section 405 of the Senate bill and

preserves the authority of committees and commissions of Congress with respect to the Office of the Architect of the Capitol.

Section 607 of the House amendment contains a declaration by Congress that in the interest of economy and efficiency the heads of departments and independent establishments and agencies in the executive branch shall terminate the employment of excess personnel. In furtherance of this policy, certain determinations and reports are required to be made by the Director of the Bureau of the Budget. Section 607 (c) of the House amendment permits the Director to exclude from such determinations and reports the following employees and employment: (1) Intermittent employees who are paid on a "when actually employed" basis; (2) employees paid nominal compensation, such as \$1 a year or \$1 a month; (3) employees hired without compensation; (4) casual employees, as defined by the Civil Service Commission; or (5) such other employees or employment as the Director may find it impracticable to include. The conference substitute permits the exclusion from the determinations and reports required by section 607 of employees who are hired without compensation and casual employees, as defined by the Civil Service Commission. It specifically includes within the provisions of such section 607, the following: (1) Full-time intermittent employees who are paid on a "when actually employed" basis, and full-time employees paid nominal compensation, such as \$1 a year or \$1 a month; and (2) part-time employment by intermittent employees who are paid on a "when actually employed" basis, and part-time employment by employees paid nominal compensation, such as \$1 a year or \$1 a month.

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